

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 3635-01
Bill No.: HB 1399
Subject: Veterans.
Type: Original
Date: January 18, 2002

FISCAL SUMMARY

ESTIMATED NET EFFECT ON STATE FUNDS			
FUND AFFECTED	FY 2003	FY 2004	FY 2005
General Revenue *	(\$528,800)	\$0	\$0
World War II Veterans' Recognition Award	\$0	\$0	\$0
Total Estimated Net Effect on <u>All</u> State Funds	(\$528,800)	\$0	\$0

* Includes only surviving veterans. Subject to appropriations.

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2003	FY 2004	FY 2005
None			
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON LOCAL FUNDS			
FUND AFFECTED	FY 2003	FY 2004	FY 2005
Local Government	\$0	\$0	\$0

Numbers within parentheses: () indicate costs or losses.

This fiscal note contains 5 pages.

FISCAL ANALYSIS

ASSUMPTION

Officials from the **Department of Public Safety - Office of the Adjutant General (OTAG)** state this proposal extends the application period to file for the W.W. II Veteran Recognition Awards by 1 year through January 1, 2003 and directs the Adjutant General to administer the program. Under this program, veterans of W.W. II residing in Missouri on August 28, 2001 are eligible to receive a medal/medallion and certificate from the State of Missouri as appreciation for their service. OTAG assumes this program will be completed by June 30, 2003.

OTAG states this proposal will extend the eligibility of approximately 100,000 World War II veterans residing in Missouri eligible to receive W.W. II Recognition Awards who had not applied for their award by January 1, 2002. OTAG based their fiscal note estimate on the assumption that survivors of deceased veterans who had not submitted applications prior to their death are not eligible for awards.

OTAG states their computations assume that all W.W. II veterans who currently reside in Missouri were residents of Missouri at time of entering service. Since the Office of the Adjutant General's military archives maintain only war records of veterans who initially entered service from Missouri, verification of service of W.W. II veterans who entered service from states other than Missouri but currently reside in Missouri will require additional research (time/effort).

OTAG assumes the administration and the final distribution of medals would last no longer than June 30, 2003 and that all awards will be mailed to awardees, or be presented by local veteran organizations.

Information received by the Office of the Adjutant General projects that 125,000 W.W. II veterans currently live in Missouri of which only approximately 25,000 had applied for awards by January 1, 2002. OTAG assumes in this fiscal estimate that 50% of the remaining eligible will apply for the awards. Awards and postage is projected to cost \$7 per award. However, the actual number of applicants could be significantly higher or lower.

The Office of the Adjutant General assumes the need for four additional full-time temporary personnel (4 FTE) to administer the program. These additional staff would include one Veterans Benefit Program Administrator (at \$36,012), one Office Support Assistant (at \$21,192), one Accountant I (at \$30,204) and one Account Clerk II (at \$23,184). Total expenses estimated by OTAG are \$110,592 for personal service for the four FTE, \$37,699 for fringe benefits, and \$148,800 in contract labor and supplies. OTAG assumes an additional 50,000 awards will be distributed at a revised cost estimate of

ASSUMPTION (continued)

\$7 per award, or \$350,000 in expense in FY 2003. OTAG assumes a total expense for adding the additional year to the application deadline will be \$647,093.

Oversight assumes that since OTAG was not allowed additional FTE in their budgets to administer this program, OTAG will be able to continue the administration for an additional year with the current temporary employees and necessary supplies. An estimate of \$50 was used for the cost of the award in 2000, however, with experience OTAG estimates the cost of the awards to be \$7 each.

Officials from the **Missouri Veterans' Commission (VET)** assume an additional cost to the Veterans' Commission Capital Improvements Trust Fund in FY 2003 of \$30,000. Figures are based upon costs incurred from the initial onset of the program. The costs estimate includes additional postage, printing, etc. involved in the distribution and submission of applications as well as personnel to assist with the additional workload.

<u>FISCAL IMPACT - State Government</u>	FY 2003	FY 2004	FY 2005
GENERAL REVENUE FUND			
<u>Transfer Out</u> - to the World War II Veterans' Recognition Award Fund	<u>(\$528,800)</u>	<u>\$0</u>	<u>\$0</u>
ESTIMATED NET EFFECT TO THE GENERAL REVENUE FUND	<u>(\$528,800)</u>	<u>\$0</u>	<u>\$0</u>
WORLD WAR II VETERANS' RECOGNITION AWARD FUND			
<u>Transfer In</u> - from General Revenue	\$528,800	\$0	\$0
<u>Costs</u> - Adjutant General's Office Expense and Equipment	(\$148,800)	\$0	\$0
<u>Costs</u> - Veterans' Commission			

<u>FISCAL IMPACT - State Government</u>	FY 2003	FY 2004	FY 2005
Expense	(\$30,000)	\$0	\$0
Medallions and Certificates *	<u>(\$350,000)</u>	<u>\$0</u>	<u>\$0</u>
<u>Total Costs - Veterans' Commission</u>	<u>(\$380,000)</u>	<u>\$0</u>	<u>\$0</u>

**ESTIMATED NET EFFECT TO THE
 WORLD WAR II VETERANS'
 RECOGNITION AWARD FUND ****

\$0 \$0 \$0

* Includes only surviving veterans

** Subject to appropriation.

<u>FISCAL IMPACT - Local Government</u>	FY 2003	FY 2004	FY 2005
	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

FISCAL IMPACT - Small Business

No direct fiscal impact to small businesses would be expected as a result of this proposal.

DESCRIPTION

This proposal changes the deadline for filing applications for World War II medals from January 1, 2002, to January 1, 2003.

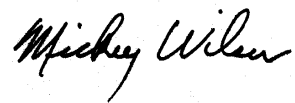
The proposal contains an emergency clause.

This legislation is not federally mandated, would not duplicate any other program and would not require additional capital improvements or rental space.

SOURCES OF INFORMATION

RS:LR:OD (12/01)

Department of Public Safety
Office of the Adjutant General
Missouri Veterans' Commission

A handwritten signature in black ink that reads "Mickey Wilson". The signature is written in a cursive, flowing style.

Mickey Wilson, CPA
Acting Director
January 18, 2002